THE MYSORE LEGISLATIVE ASSEMBLY

FOURTEENTH DAY

Monday, 20th March 1961.

The House met in the Assembly Hall, Vidhana Soudha Bangalore, at One of the Clock.

[MR. SPEAKER.—(Sri S. R. KANTHI, B.A., LL.B.) in the Chair.]

STARRED QUESTIONS

(to which oral Answers were given)

AMOUNT INVESTED BY GOVERNMENT IN THE GOVERNMENT PORCELAIN FACTORY, BANGALORE.

*Q.—9. Sri G. N. PUTTANNA (Tumkur):—

Will the Government be pleased to state.—

(*a*) the total amount of capital invested by the Government in the Government Porcelain Factory, Bangalore, till the end of December 1960; and the percentage of interest charged on the capital;

(*b*) the total number of officers, workmen and women employed in the above Factory and the average monthly expenditure on such employees;

(*c*) whether the Factory has earned any income ever since it was started;

(*d*) whether it is a fact that during the year 1955-56 the total loss incurred in the Factory was Rs. 26,00,000 (Rs. twenty-six lakhs) and if so, the reasons therefor; and who is responsible for the same and the action taken against the persons responsible?

A.—Sri B. D. JATTI.—(Chief Minister).—

(*a*) Capital invested by Government is Rs. 1,85,87,714 as on 31st December 1960. The interest payable by the concern is 5 per cent per annum.

(*b*) (1) Officers ... 13
(2) Ministerial staff non-operational) ... 85
(3) Supervisory staff (operational) ... 79
(4) Peons, Garden and Sanitary (non-operational) 47
(5) Workmen ... 725
(6) Workwomen ... 143

(Sri B. D. JATTI)

The average monthly expenditure is as follows:—

Rs. 25,000 on first four items.
Rs. 57,800 on item No. 5 and
Rs. 10,200 on item No. 6.

(*c*) Yes.

(*d*) No loss has been incurred during the year 1955-56.

Sri G. N. PUTTANNA.—May I know in what year the Porcelain Factory was started and the capital invested at that time?

†Sri B. D. JATTI.—According to the information available with me, it was started in 1941-42.

Sri G. N. PUTTANNA.—May I know what was the capital invested at the time the factory was started?

Sri B. D. JATTI.—The capital invested is as follows:—

		Rs.
1932-33	... ...	1,41,464
1940-41	... ...	11,21,518
1941-42	... ...	12,56,754
1959-60	... ...	1,62,22,688.

Sri G N. PUTTANNA.—The Hon'ble Chief Minister was pleased to say that the factory was started in 1941-42. May I know the capital that was invested when the factory was started?

Sri B. D. JATTI.—I have information about the capital invested from the year 1932-33. Regarding profit and loss account, I have figures from 1940-41.

Sri G. N. PUTTANNA.—The Hon'ble Chief Minister was pleased to say that the factory has incurred some profit during some years. May I know in which year the profit has gone up?

Sri B. D. JATTI.—In the year:

		Rs.
1941-42	... ...	6,342
1942-43	... ...	63,565
1943-44	... ...	No profit
1944-45	... ...	1,37,437
1945-46	... ...	1,45,039
1946-47	... ...	1,08,944
1947-48 Loss	... ...	532
1948-49 ,,	... ...	89,297
1949-50	... ...	15,657
1950-51	... ...	1,46,596
1951-52	... ...	1,83,948

† Indicates that the remarks or speeches have not been revised by the Member concerned.

Year		*Profit*
		Rs.
1952–53	...	39,350
1953–54	...	1,36,278
1954–55	...	77,399
1955–56	...	9,347

In the year 1956–57 there was a loss of Rs. 6,95,644.

		Loss
		Rs.
1957–58	...	20,03,294
1958–59	...	7,13,590
1959–60	...	2,06,242

Sri G. N. PUTTANNA.—In the year 1957–58, what is the reason for such a huge loss as Rs. 20 lakhs and odd and is the Government aware that a lot of articles manufactured in the factory were sold privately without the knowledge of Government ?

Sri B. D. JATTI.—That information is not correct. The reason is that the oil tunnel kiln started production from February 1957 and the Government had to incure a loss in the beginning. The production is being standardised and now the loss has been reduced.

Sri G. N. PUTTANNA.—The General Manager has furnished information to show that the reasons given by you for the loss incurred in 1957–58 is not correct. He says that the depreciation is Rs. 6 lakhs and odd, interest on capital so much and so on. His statement is quite different from the one you are making. You may kindly verify it. Will the Government also kindly furnish to the House a copy of the statement the Chief Minister has read out.

Sri B. D. JATTI.—Yes, I shall place the document on the table of the House.

Sri J. B. MALLARADHYA.—What is the net revenue to the State on the total outlay in respect of this concern ?

Sri B. D. JATTI.—I have not got the figures ready at hand.

Dr. R. NAGAN GOWDA.—The Hon'ble Minister was saying that the loss in the current year is of the order of Rs. 2 lakhs. It is also stated in the reply that 5 per cent interest is chargeable. May I know whether this loss is incurred after paying interest charges on the capital invested ?

Sri B. D. JATTI.—Yes.

Sri G. N. PUTTANNA.—The Public Accounts committee has reported to the Government that Government should take steps to appoint a person qualfied in the special type of manufacture and the Government have not done so far. By this delay there is no hope of placing this concern on a proper basis. Why has this not been done ?

Sri B. D. JATTI.—Recently, Government has taken decision to request the expert from Japan to come here and Government has also taken a decision to form a committee of management wherein the Director of Industries will be the Chairman and one of the experts from Japan will be one of the members and a Joint Director will be the third member and they will look after all the Technical defects and try to remedy them.

Sri G. N. PUTTANNA.—The persons who have been well-trained in Japan and the technicians have not been entrusted with the work of production whereas the General Manager who is not at all trained in the manufacture of articles produced in the factory is entrusted with the production work. Is it proper and will Government look into this matter and set it right ?

Sri B. D. JATTI.—If there are any matters to be set right, Government will look into them and set them right.

Sri G. N. PUTTANNA.—Is the General Manager a technically qualified person ?

Sri B. D JATTI.—The General Manager need not be a technically qualified person. He will look after the administrative side.

Sri M. C. NARASIMHAN.—One Japanese expert was brought to look into the affairs of this factory. May I know whether the advice given by that expert has been carried out ?

Sri B. D. JATTI.—Whatever advice was given by him at that time was followed. But the one person who was trained under him could not come up to the standard.

Sri J. B. MALLARADHYA.—Is the technical management of the Porcelain Factory going to be handed over to the foreign experts ?

Sri B. D. JATTI.—If there are any technical defects they will be looked into by the Committee that is going to be formed with the Director of Industries as the Chairman and one of the experts as one of the members.

Sri J. B. MALLARADHYA.—Will there be Complete location of responsibility if any technical matters go wrong ?

Sri B. D. JATTI.—As I have already explained, the person who is expected to come from Japan is supposed to be a technical expert and all the technical matters will be referred to him and he will take decisions in consultation with the other two members of that committee.

Dr. R. NAGAN GOWDA—May I know whether the people that are now in charge of the management have been there during the time the Japanese experts were there and have been trained under them ?

Sri B. D. JATTI.—It is a fact that these people were there and were working under the Japanese expert but the experience of Government is that they have not come up to the standard expected of them.

Sri G. DUGGAPPA.—There are so many departments in the Porcelain Factory. May I know whether at present there are any experts in any one of these departments ?

Sri B. D. JATTI.—It is difficult to define who are experts but the person who are supposed to be experts are there in that Factory.

Sri G. DUGGAPPA.—Is the General Manager who is now in charge of the factory an expert at least in ceramics ?

Mr. SPEAKER.—He has already replied to that question.

Sri L. S. VENKAJI RAO.—Will Government consider offering some favourable terms to the N. G. K. Co., of Japan who is supposed to be an expert in the world for manufacturing all ceramic goods on some royalty basis ?

Sri B. D. JATTI.—Since we are getting some experts let us try to take their advice and see if we can improve it.

Sri D. DEVARAJ URS..—Will Government be pleased to give the balance sheet of this factory ?

Sri B. D. JATTI.—I have already replied.

Sri G. N. PUTTANNA.—The P. A. C. has reported to the Government that there is want of organisation. Organisation should be looked after by the General Manager and not by the technical expert. They say he has thoroughly failed in organising the factory and putting the proper man in the proper place. Has Government taken any action from 1959 in this behalf ?

Sri B. D. JATTI.—It is a matter of opinion.

Sri G. N. PUTTANNA.—It is not a matter of opinion. This is the opinion of the Public Accounts committee.

Sri B. D. JATTI.—The Department will be reorganised and, if necessary, some changes will be made.

ಶ್ರೀ ಜಿ. ಎನ್. ಪುಟ್ಟಣ್ಣ.—ಜನರಲ್ ಮೇನೇಜರ್ ಆದವರು organisation ಗೆ ಜವಾಬ್ದಾರರು technical ಪ್ರೊಡಕ್ಷನ್‌ಗೆ ಅಲ್ಲ ಮೇನೇಜ್‌ಮೆಂಟಿನ ಆರ್ಗನೈಸೇಷ್ ಯಾರು ಮಾಡಬೇಕು? Why are you keeping him there ? He is incurring loss to the factory.

Sri B. D. JATTI.—It is a matter of opinion. Whether he is an expert or not according to the opinion of the Hon'ble Member or not is a different matter. I am not challenging him. According to the information of Government, he is doing well.

Sri G.N. PUTTANNA.—It is not my opinion, but the opinion of the Public Accounts Committee.